Plaintiffs' Exhibit 50

**Responses to the Autorité de la Concurrence's Request for Information
dated 10 October 2019
Case No. 19/0030F, 19/0056F and 19/0057F**

This submission sets out Google's response to the Autorité de la Concurrence's (**FCA**) Request for Information relating to the online advertising sector dated 10 October 2019 (**RFI**). The RFI requires Google to provide the responses to these questions by 11 November 2019. As agreed with the FCA on 8 November 2019, Google will provide the remaining non-privileged documents responsive to Question 28 by 2 December 2019.

A French version of Google's response will follow by the end of the week commencing 11 November 2019.

Google's response and its annexes contain sensitive business secrets that should not be disclosed to third parties. Pursuant to Article R463-13 of the Code de Commerce, Google will formulate a request for this purpose and provide a non-confidential version of its responses.

Google does not endorse or validate the content, findings or views expressed in any third party materials, reports or studies referred to in this response.

We hope our responses are helpful. Please let us know if you have any questions.

Definitions

The definitions in the Response also apply to this response.

Authorized Buyers - the buyers (including ad networks, trading desks and demand-side platforms) who buy inventory on AdX. Authorized Buyers do not include Google Ads and DV360.

Exchange Bidders - the third parties who participate in Exchange Bidding on AdX.

Open Bidders - the third parties who participate in Open Bidding on AdMob.

Response - the information provided to the FCA by Google on 27 September 2019 in response to the request for information dated 23 July 2019.

RFI 1 - the FCA's request for information dated 23 July 2019.

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I.   **Additional Information to Response**

Request 1

Q1.   **Describe how AdSense and AdMob services work, making sure to indicate:**

- **how the Group selects advertisements to display, detailing the auction and cascade mechanisms involved when they exist;**

1.   AdSense for Content[1] and AdMob (through its ad network function) are services that Google offers to publishers to enable them to sell advertising inventory on their websites and in their mobile apps, respectively, through an auction process.

2.   When a publisher's site or app makes a call to AdSense for Content or AdMob, Google identifies a pool of ads that are eligible to compete for that particular slot of inventory. Ads will be included in the pool of eligible ads based on:

- **ad format:** only ads that match the format of the available inventory will be eligible to show; and

- **ad targeting:** only ads that are relevant to the content or users of the publisher's website or app will be eligible to show.

3.   Ads that meet the above criteria are eligible to participate in the AdSense for Content or AdMob auction. The AdSense for Content or AdMob auction will then determine which of the eligible ads will be displayed and how much the advertiser will pay:

- for ad demand from Google Ads, Google Ads ranks eligible ads based on a combination of factors, including both bid amount and quality.[2] Bid amount does not necessarily take priority. This means that if ad A's quality is sufficiently higher than that of the next highest quality ad (ad B), ad A could rank higher than ad B, even if ad B's bid amount is higher than ad A's; and

- the highest-ranked ad from Google Ads demand will then compete against any other demand sources in the AdSense for Content or AdMob auctions. Specifically, the AdSense for Content and AdMob auctions also incorporate demand from buyers using DV360 or third party buyers. Bids from these buyers compete with the bid from the highest-ranked ad from Google Ads. The AdMob auction also incorporates ad inventory from third party demand sources through Open Bidding, if the publisher has chosen to enable this.

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[1]   The response to this question focuses on AdSense for Content as this is the AdSense service that allows publishers to sell display ad inventory on their websites. AdSense for Domains and AdSense for Video are described in paragraph 90 of the Response.

[2]   Google Ads uses request-specific auction-time calculations to ascertain the quality of an ad. These include factors such as (i) expected CTR (the likelihood of the user clicking on the ad), (ii) ad relevance, and (iii) the landing page experience (whether clicking on the ad directs the user to a website that is relevant, navigable and transparent).

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- the conditions under which inventories offered via the AdSense and AdMob networks may be offered to AdX as "fillers" (see Response at paragraph 4); and

4. Paragraphs 4 and 90 of the Response states: "*AdSense connects website publishers to Google Ads advertisers (and other advertisers as backfill via the AdX auction) to allow them to sell advertising space on their websites through an auction process.*" Paragraph 91 of the Response states: "*Through its ad network function, AdMob connects app publishers to Google Ads advertisers (and other advertisers as backfill via the AdX auction) to allow them to sell advertising space on their aps through an auction process.*"

5. The references to "*other advertisers as backfill via the AdX auction*" in these paragraphs are references to the buyers (including ad networks, trading desks and demand-side platforms) who buy inventory on AdX ("**Authorized Buyers**") and (in the case of AdMob) the third parties who participate in Open Bidding on AdMob ("**Open Bidders**").[3]

6. AdSense and AdMob inventory may be offered to AdX Authorized Buyers (and, in the case of AdMob, Open Bidders) at the option of the publisher. The default setting for each publisher allows AdX Authorized Buyers to buy AdSense and AdMob inventory. Within the AdSense and AdMob platforms, the publisher can opt-out of offering their inventories to AdX Authorized Buyers. Within the AdMob platform, the publisher can also opt-in to offer their inventory to Open Bidders.

- **the control that publishers exert in this last scenario, as well as the proportion of advertisements concerned (in number of advertisements and in share of income generated for the publishers).**

7. AdSense and AdMob publishers have control over whether their inventories are offered to AdX Authorized Buyers (and, in the case of AdMob, Open Bidders).

8. The table below shows the ads served by AdSense and AdMob broken out by demand source, for September 2019, on a global basis.

Table 1.1: AdMob and AdSense by buyer source, Global, September 2019

	Publisher type	Google Ads	DV360	Authorized Buyers and Open Bidders
Gross revenues	AdMob	86.23%	7.57%	6.21%
	AdSense	85.77%	10.74%	3.49%
Impressions	AdMob	76.69%	10.55%	12.75%
	AdSense	83.99%	9.66%	6.35%

Source: Google. AdSense proportions are calculated for AdSense for Content, AdSense for Games and AdSense for Video combined.

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[3] The reference to "backfill" in these paragraphs was an error.

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Request 8

Q2. **Indicate the differences between the dynamic allocation feature that existed prior to DoubleClick's acquisition by Google and the "similar ... feature recreated using Google's infrastructure" (see Response at paragraph 28). Specify the date on which this "recreated" feature was introduced by Google and why the Group considered each modification necessary or useful.**

9. Based on the knowledge of current Google employees, Google is not aware of any material differences between the dynamic allocation feature that existed prior to DoubleClick's acquisition by Google and the similar feature recreated using Google's infrastructure.

10. The purpose of the recreation was to migrate the functionality that existed within DoubleClick's systems into Google's systems, using Google's software architecture, rather than continuing to operate the separate DoubleClick systems. Google did not intend to introduce any new features related to Dynamic Allocation during this recreation.

11. The recreated Dynamic Allocation feature was introduced with the launch of the recreated DoubleClick Ad Exchange (now part of Ad Manager) on 18 September 2009.

Q3. **Indicate when a feature equivalent to Dynamic Allocation was introduced for DFP but not AdX publishers, to connect to the AdSense request (see Response at paragraph 28). Specify the reasons why the Group considered the introduction of this feature necessary or useful.**

12. Paragraph 28 of the Response refers to the addition of an equivalent feature to Dynamic Allocation for small DFP publishers (who did not use AdX) to connect with AdSense demand via Dynamic Allocation.

13. Prior to Google's acquisition of DoubleClick in March 2008, only large publishers were eligible to use AdX. As small DFP publishers were not eligible to use AdX but could use AdSense, following the acquisition of DoubleClick, Google added the feature to allow small DFP publishers to connect with AdSense demand via Dynamic Allocation.

14. Around 6 months after Google acquired DoubleClick, Google launched a limited beta test of Dynamic Allocation for smaller DFP publishers that used AdSense. Google made this functionality widely available in the second quarter of 2009.

Request 11

Q4. **Explain the reason why the Group states in paragraph 38 of the Response that "AdX can only compete with other ad exchanges for a given ad request if the (Enhanced) Dynamic Allocation feature is enabled", before indicating in paragraph 47 of the Response that "It ... is technically possible to use Ad Manager without the Enhanced Dynamic Allocation function by creating a separate 'AdX Direct' account linked to an unsold Ad Manager campaign. [The publishers] can then set an average price that will be charged by AdX for the competition (instead of a competition at the dynamic price indicated in the real-time auctions). This will result in Ad Manager calling AdX as it would call any**

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other ad exchange or advertising network, effectively disabling the Enhanced Dynamic Allocation." Specify whether there are any DFP users who have in fact used the solution referred to in paragraph 47 of the Response before indicating the reasons why a publisher would be likely to use this solution and, if applicable, the proportion of impressions served to DFP by AdX, the characteristics – size, location or others – of the publishers in question, and the impact of the solution on the implementing publishers' revenue.

15.   Google does not provide a "toggle" control within the Ad Manager interface to turn off Enhanced Dynamic Allocation. However, publishers are able to effectively disable Enhanced Dynamic Allocation using the "workaround" method detailed in paragraph 47 of the Response. This method is not officially promoted or endorsed by Google, but is technically possible.

16.   Because the use of the "workaround" method is not within Google's control, it does not monitor whether publishers have implemented it.

17.   However, Google does not believe that the "workaround" method is widely used by publishers and, equally, Google does not know of any reason why a publisher would want to disable Enhanced Dynamic Allocation. It is likely that doing so would reduce that publisher's revenue, as Enhanced Dynamic Allocation is designed to increase publishers' revenue from both AdX and third party exchanges (including both Exchange Bidders and Header Bidding channels).[4] By way of example:

- a publisher averages 10,000 impressions per month. It books a direct deal for 7,000 impressions at €5 each, meaning that it has an estimated 3,000 indirect impressions to sell. Most of those indirect impressions sell for €0.50 each, but 30% of calls return a €4 bid;

- the publisher is confident that it will be able to fulfil its commitment to sell 7,000 impressions directly over the relevant time period. It follows that, even if the higher-priced indirect offer (at €4) is €1 less than the direct deal would return, it still makes sense for the publisher to fill the impression through the indirect channel with the higher-priced indirect offers as they arise; and

- without Enhanced Dynamic Allocation, the publisher would make €39,650 ((7,000 x €5) + ((3,000 x €4) x 30%) + ((3,000 x €0.5) x 70%)). With Enhanced Dynamic Allocation, the publisher would make €47,000 ((7,000 x €5) + (3,000 x €4)).

18.   Google has not received any feedback requesting a toggle to turn off Enhanced Dynamic Allocation.[5]

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[4]   Service performance data indicates that Enhanced Dynamic Allocation increases publisher revenue at a greater rate for remnant line items than for AdX.

[5]   When the Enhanced Dynamic Allocation feature was first launched, a few publishers who were sensitive about the delivery of guaranteed line items asked for it to be enabled for them slightly later, and Google honoured such requests.